

111TH CONGRESS  
2D SESSION

# H. R. 4692

To require the President to prepare a quadrennial National Manufacturing Strategy, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2010

Mr. LIPINSKI (for himself, Mr. BRALEY of Iowa, Mr. RYAN of Ohio, Mr. MANZULLO, Ms. SUTTON, Mr. EHLERS, Mr. HARE, Mr. DINGELL, Mr. MICHAUD, Ms. KAPTUR, Mr. SCHOCK, Mr. VISCLOSKEY, Mr. WILSON of Ohio, Ms. LINDA T. SÁNCHEZ of California, Mr. KAGEN, Mr. STUPAK, Mr. LYNCH, Mr. LOEBSACK, Mrs. DAHLKEMPER, Mr. ELLISON, Mr. ELLSWORTH, Mr. PERRIELLO, Mr. KILDEE, Mr. PETERS, Ms. SHEA-PORTER, Mr. TAYLOR, Mr. SARBANES, and Mr. JOHNSON of Illinois) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To require the President to prepare a quadrennial National Manufacturing Strategy, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “National Manufac-  
5       turing Strategy Act of 2010”.

1 **SEC. 2. SENSE OF CONGRESS.**

2 It is the sense of Congress that the United States  
3 Government should promote policies related to the Na-  
4 tion's manufacturing sector that are intended to—

5 (1) create sustainable economic growth and in-  
6 creased employment;

7 (2) create high-quality jobs and decent employ-  
8 ment;

9 (3) increase per capita income;

10 (4) recruit, improve, and educate the workforce;

11 (5) increase productivity, exports, and global  
12 competitiveness;

13 (6) increase resilience to global economic pres-  
14 sure and fluctuations;

15 (7) increase domestic manufacturing capacity;

16 (8) maintain and improve national and home-  
17 land security;

18 (9) identify and preserve specific manufacturing  
19 capabilities and technologies which are considered  
20 vital to national defense and security;

21 (10) assure a reliable and efficient supply  
22 chain;

23 (11) increase access to financial capital and en-  
24 courage private investment in domestic manufac-  
25 turing;

1           (12) expand research and development activities  
2           and innovation;

3           (13) improve competitiveness in emerging mar-  
4           kets, products, and industries of the manufacturing  
5           sector;

6           (14) support industries of the manufacturing  
7           sector that are facing critical challenges to competi-  
8           tiveness and sustainability;

9           (15) improve the quality and excellence of man-  
10          ufacturing;

11          (16) enhance collaboration among Government,  
12          labor, industry, and academia;

13          (17) pursue resource and economic sustain-  
14          ability, including increases in energy efficiency; and

15          (18) improve coordination among agencies in  
16          carrying out Government policies.

17 **SEC. 3. NATIONAL MANUFACTURING STRATEGY.**

18          (a) REQUIREMENT.—Not later than the last day of  
19 February of the second year of each Presidential term,  
20 the President shall conduct a comprehensive analysis of  
21 the Nation’s manufacturing sector and submit to Congress  
22 a report containing a National Manufacturing Strategy.

23          (b) COMPREHENSIVE ANALYSIS.—Before developing  
24 each National Manufacturing Strategy, the President shall  
25 conduct a comprehensive analysis of the Nation’s manu-

1 facturing sector and related Government programs that  
2 will, at a minimum, consider the following:

3           (1) The fundamental value and role, both his-  
4           toric and current, of manufacturing in the Nation's  
5           economy, security, and global leadership.

6           (2) The current domestic and international en-  
7           vironment for the Nation's manufacturing sector, in-  
8           cluding—

9                   (A) specific consideration of particular in-  
10                  dustries within the manufacturing sector, as de-  
11                  termined by the President, from among indus-  
12                  tries categorized in the North American Indus-  
13                  try Classification System as codes 31 to 33;

14                   (B) regional industrial bases; and

15                   (C) consideration of firms that have relo-  
16                  cated manufacturing operations overseas or re-  
17                  located overseas operations to the United  
18                  States, and the factors involved in such reloca-  
19                  tions.

20           (3) Workforce-related elements, such as the de-  
21           mographics of the labor force, the availability of  
22           highly skilled workers, and specific skill sets that are  
23           likely to be required of workers in the future.

24           (4) The need for research and development to  
25           improve innovation and productivity in manufac-

1 turing and to enable sustainable domestic produc-  
2 tion, and an analysis of the impacts of Federal  
3 grants, tax credits, and other investments in such  
4 research and development on employment in the  
5 manufacturing sector.

6 (5) The importance of exports to manufacturers  
7 and the Nation's trade balance, and the existence of  
8 barriers to exports and market access.

9 (6) The availability of financial capital to the  
10 manufacturing industry.

11 (7) The role of domestic manufacturing in na-  
12 tional security, and the potential for related joint  
13 international acquisition, development, and procure-  
14 ment programs.

15 (8) The impact that Government policies and  
16 actions have, directly and indirectly, on manufac-  
17 turing industries, including taxation policy, regula-  
18 tions, procurement, and domestic sourcing require-  
19 ments.

20 (9) The impact of Federal procurement, fund-  
21 ing, and tax credits on the importation of foreign  
22 manufactured goods, including the amount of funds  
23 expended on, and identification of, products in de-  
24 fense, energy, communications, infrastructure, and  
25 other critical technologies that are imported.

1           (10) The identification of emerging or evolving  
2           markets, technologies, and products that the Na-  
3           tion’s manufacturers could compete for.

4           (11) The identification of specific manufac-  
5           turing industries in the United States that are fac-  
6           ing critical challenges.

7           (12) The identification of critical technologies  
8           required to sustain national defense and security, in-  
9           cluding energy and communications technologies.

10          (13) Establishment of minimum manufacturing  
11          capability baselines needed to rapidly respond in  
12          times of national emergencies, including wartime  
13          scenarios.

14          (14) The problems faced in particular by small-  
15          and medium-sized manufacturers.

16          (15) Aspects of the global supply chain and the  
17          availability of natural resources.

18          (16) The interaction among various Federal  
19          Government policies that affect manufacturing, the  
20          manufacturing-related workforce, and manufac-  
21          turing-dependent communities.

22          (17) State, local, and territorial policies and  
23          conditions that affect manufacturing, including  
24          interstate competition and public subsidies for facil-  
25          ity siting and relocation.

1           (18) A comparison of the manufacturing poli-  
2       cies of the United States relative to other nations'  
3       policies and strategies.

4           (19) The effects of international trade agree-  
5       ments and other treaties or international agree-  
6       ments, both that the United States is party to and  
7       others that affect the United States or markets for  
8       its products.

9           (20) The status of international intellectual  
10      property protections.

11          (21) The short- and long-term forecasts for the  
12      Nation's manufacturing sector, and forecasts of ex-  
13      pected national and international trends and factors  
14      likely to affect such sector in the future.

15          (22) The role that the authority provided under  
16      the Defense Production Act of 1950 (50 U.S.C.  
17      App. 2061 et seq.) could have in the implementation  
18      of the National Manufacturing Strategy.

19          (23) An analysis of any other factors affecting  
20      manufacturing competitiveness, growth, stability,  
21      and sustainability.

22      (c) TASK FORCE.—

23          (1) IN GENERAL.—In developing each National  
24      Manufacturing Strategy, the President shall convene  
25      a Manufacturing Strategy Task Force.

1           (2) MEMBERS.—A Manufacturing Strategy  
2 Task Force convened with respect to a National  
3 Manufacturing Strategy shall include the following  
4 individuals:

5           (A) The Secretary or head (or the designee  
6 of the Secretary or head) of each of the fol-  
7 lowing organizations:

8           (i) The Department of the Treasury.

9           (ii) The Department of Defense.

10          (iii) The Department of Commerce.

11          (iv) The Department of Labor.

12          (v) The Department of Energy.

13          (vi) The Domestic Policy Council.

14          (vii) The National Economic Council.

15          (viii) The Council of Economic Advi-

16 sors.

17          (ix) The National Security Council.

18          (x) The Office of Management and

19 Budget.

20          (xi) The Office of Science and Tech-

21 nology Policy.

22          (xii) The Small Business Administra-

23 tion.

24          (xiii) Other Federal agencies the

25 President determines appropriate.



1           (B) The Governors of two States, from dif-  
2           ferent political parties, appointed by the Presi-  
3           dent in consultation with the National Gov-  
4           ernors Association.

5           (3) CHAIRMAN.—The President shall designate  
6           a Chairman of the Manufacturing Strategy Task  
7           Force from among Cabinet-level appointees and  
8           other advisors to the President who are officers or  
9           employees of the Federal Government.

10          (4) SUBGROUPS.—The Manufacturing Strategy  
11          Task Force may convene subgroups to address par-  
12          ticular industries, policy topics, or other matters.  
13          Such subgroups may include members representing  
14          any of the following:

15                (A) Such other Federal agencies as the  
16                Chairman determines appropriate.

17                (B) State, local, tribal, and territorial gov-  
18                ernments.

19                (C) The private sector, including labor, in-  
20                dustry, academia, trade associations, and other  
21                appropriate groups.

22          (5) RECOMMENDATIONS.—The Manufacturing  
23          Strategy Task Force shall make recommendations to  
24          the President for incorporation into the National

1       Manufacturing Strategy regarding the following  
2       matters:

3               (A) The results of the comprehensive anal-  
4               ysis conducted by the President under sub-  
5               section (b).

6               (B) The design, effectiveness, purpose,  
7               funding levels, and other features of current  
8               Federal Government programs and policies that  
9               are intended to assist the manufacturing sector,  
10              including taxation, workforce development, re-  
11              search and development, technical assistance,  
12              export control requirements, procurement, and  
13              domestic sourcing policies.

14              (C) The interaction among, and integra-  
15              tion of, Federal Government policies that affect  
16              manufacturing, the manufacturing-related  
17              workforce, and manufacturing-dependent com-  
18              munities.

19              (D) Areas of need that could be addressed  
20              by new Federal Government programs.

21              (E) Emerging markets, industry shifts,  
22              workforce changes, or other transformations  
23              foreseen to affect the manufacturing sector in  
24              the future.

1 (F) The availability of financial capital to  
2 the manufacturing sector, with particular em-  
3 phasis on lower tiers of the supply chain and  
4 small businesses.

5 (G) Opportunities to increase exports and  
6 enhance international trade competitiveness.

7 (H) Federal incentives to encourage indus-  
8 try to balance pressures for short-term profits  
9 with implementation of the National Manufac-  
10 turing Strategy.

11 (I) Other areas designated by the Presi-  
12 dent for consideration.

13 (6) PUBLIC MEETINGS REQUIRED.—The Manu-  
14 facturing Strategy Task Force shall convene public  
15 meetings to solicit views on the manufacturing sec-  
16 tor and proposed recommendations for the National  
17 Manufacturing Strategy. The locations of these  
18 meetings shall ensure the inclusion of multiple re-  
19 gions and industries of the manufacturing sector.

20 (d) GOALS AND RECOMMENDATIONS.—

21 (1) GOALS.—Each National Manufacturing  
22 Strategy shall provide short- and long-term goals for  
23 the Nation’s manufacturing sector, including goals—

24 (A) related to improving—

25 (i) levels of domestic production;

- 1 (ii) productivity;
- 2 (iii) investment in particular indus-
- 3 tries;
- 4 (iv) research and development inten-
- 5 sity;
- 6 (v) innovation;
- 7 (vi) employment;
- 8 (vii) workforce skills and development;
- 9 (viii) international competitiveness;
- 10 and
- 11 (ix) the industrial base to ensure it is
- 12 adequate for maintaining national security;
- 13 and
- 14 (B) for any other relevant economic, social,
- 15 and policy factors.

16 (2) RECOMMENDATIONS.—Each National Man-  
17 ufacturing Strategy shall include recommendations  
18 for achieving the goals provided under paragraph  
19 (1). Such recommendations may propose—

- 20 (A) actions to be taken by State, local, and
- 21 territorial governments, the President, Con-
- 22 gress, the private sector, universities, industry
- 23 associations, and other stakeholders; and
- 24 (B) ways to improve Government policies
- 25 and interaction with the manufacturing sector.

1 (e) STRATEGY BOARD.—In developing each National  
2 Manufacturing Strategy, the President shall consider the  
3 recommendations of the President’s Manufacturing Strat-  
4 egy Board established under section 5.

5 (f) STUDIES.—In developing each National Manufac-  
6 turing Strategy, the President shall consider the results  
7 of the studies carried out pursuant to section 6.

8 (g) REPORT.—

9 (1) DRAFT.—A draft report containing a Na-  
10 tional Manufacturing Strategy shall be published for  
11 public comment in the Federal Register and on a  
12 public website for a period of 90 days. Following the  
13 comment period, the Manufacturing Strategy Task  
14 Force shall review any comments and reflect those  
15 views in its recommendations to the President under  
16 subsection (c)(5).

17 (2) SUBMISSION TO CONGRESS.—Each final  
18 National Manufacturing Strategy shall be submitted  
19 to Congress upon completion.

20 (3) PUBLICATION.—Each final National Manu-  
21 facturing Strategy shall be published on a public  
22 website.

23 (h) DEADLINE FOR FIRST NATIONAL MANUFAC-  
24 TURING STRATEGY.—Notwithstanding subsection (a), the

1 President shall issue the first National Manufacturing  
2 Strategy not later than February 28, 2011.

3 **SEC. 4. GOVERNMENT ACCOUNTABILITY OFFICE REVIEW**  
4 **OF NATIONAL MANUFACTURING STRATEGY.**

5 Three years following publication of a National Man-  
6 ufacturing Strategy under section 3, the Comptroller Gen-  
7 eral shall conduct a review of the recommendations con-  
8 tained in such National Manufacturing Strategy, includ-  
9 ing—

10 (1) an assessment of whether the recommenda-  
11 tions were implemented;

12 (2) an analysis of the impact of those rec-  
13 ommendations;

14 (3) a review of the trends and short- and long-  
15 term forecasts of manufacturing contained in pre-  
16 vious National Manufacturing Strategies, compared  
17 to actual events and trends;

18 (4) a review of the process involved in devel-  
19 oping the previous National Manufacturing Strategy;  
20 and

21 (5) recommendations for improvement in devel-  
22 oping the next National Manufacturing Strategy.

23 **SEC. 5. PRESIDENT'S MANUFACTURING STRATEGY BOARD.**

24 (a) IN GENERAL.—The President shall convene a  
25 President's Manufacturing Strategy Board, which shall

1 provide the President with information and recommenda-  
2 tions regarding the needs of, and opportunities for, the  
3 Nation's manufacturing sector.

4 (b) MEMBERSHIP.—

5 (1) IN GENERAL.—The President's Manufac-  
6 turing Strategy Board shall consist of 21 individuals  
7 from the private sector, appointed by the President  
8 after consultation with industrial organizations.  
9 Such individuals shall represent a broad range of re-  
10 gions and industries, including individuals with expe-  
11 rience in the areas of—

- 12 (A) managing manufacturing companies;
- 13 (B) managing supply chain providers;
- 14 (C) financing manufacturing operations;
- 15 (D) labor-management relations;
- 16 (E) workforce development;
- 17 (F) conducting related research and devel-  
18 opment; and
- 19 (G) other fields related to manufacturing.

20 (2) LIMITATION REGARDING AFFILIATIONS.—

21 The President's Manufacturing Strategy Board shall  
22 include individuals of whom there are no fewer  
23 than—

- 24 (A) 3 representatives of labor organiza-  
25 tions;

1 (B) 3 representatives of manufacturing  
2 firms with fewer than 500 employees; and

3 (C) 1 representative of an academic insti-  
4 tution who is involved in research and develop-  
5 ment regarding manufacturing-related tech-  
6 nology or systems.

7 (3) BALANCE IN REPRESENTATION.—In mak-  
8 ing appointments to the Manufacturing Strategy  
9 Board, the President shall seek to ensure that the  
10 individuals appointed represent a balance among and  
11 within industries of the manufacturing sector.

12 (c) CO-CHAIRMEN.—The President’s Manufacturing  
13 Strategy Board shall be co-chaired by 3 members rep-  
14 resenting the President’s Council of Advisors on Science  
15 and Technology, the Manufacturing Council of the De-  
16 partment of Commerce, and the Defense Policy Board.

17 (d) TERMS.—

18 (1) IN GENERAL.—Each member shall be ap-  
19 pointed for a term of 6 years, except as provided in  
20 paragraphs (2) and (3).

21 (2) TERMS OF INITIAL APPOINTEES.—As des-  
22 ignated by the President at the time of appointment,  
23 of the members first appointed—

24 (A) 7 shall be appointed for a term of 2  
25 years;



1 (B) 7 shall be appointed for a term of 4  
2 years; and

3 (C) 7 shall be appointed for a term of 6  
4 years.

5 (3) VACANCIES.—Any member appointed to fill  
6 a vacancy occurring before the expiration of the  
7 term for which the member’s predecessor was ap-  
8 pointed shall be appointed only for the remainder of  
9 that term. A member may serve after the expiration  
10 of that member’s term until a successor has taken  
11 office.

12 **SEC. 6. STUDIES.**

13 (a) QUADRENNIAL STUDY.—

14 (1) IN GENERAL.—In developing each National  
15 Manufacturing Strategy, the President, acting  
16 through the Office of Science and Technology Policy,  
17 shall enter into an agreement with the National  
18 Academy of Sciences to conduct a study in accord-  
19 ance with this subsection.

20 (2) ELEMENTS.—The study shall examine the  
21 following:

22 (A) The current state of manufacturing in  
23 the United States.

1 (B) Federal programs and activities re-  
2 lated to, and Government reliance on, manufac-  
3 turing systems.

4 (C) The ways in which Federal policies af-  
5 fect manufacturing, and likely future trends in  
6 manufacturing if such policies remain un-  
7 changed.

8 (D) Various possible standards for evalu-  
9 ating the implementation of the National Manu-  
10 facturing Strategy.

11 (3) REPORT.—The agreement shall provide that  
12 not later than the last day of February of the first  
13 year of each Presidential term, the National Acad-  
14 emy of Sciences shall submit to Congress and the  
15 President a report containing the findings of the  
16 study.

17 (4) DEADLINE FOR FIRST REPORT.—Notwith-  
18 standing paragraph (3), the first agreement entered  
19 into under this subsection shall provide that the Na-  
20 tional Academy of Sciences shall submit to Congress  
21 and the President a report containing the findings  
22 of the study not later than 2 years after the date  
23 such agreement is entered into.

24 (5) DEADLINE FOR SUBSEQUENT AGREE-  
25 MENTS.—After the first agreement entered into

1 under this subsection, all subsequent agreements  
2 under this subsection shall be entered into not later  
3 than 18 months before the deadline for submission  
4 of the corresponding report under paragraph (3).

5 (b) ADDITIONAL STUDIES.—

6 (1) REQUIRED STUDIES.—In order to inform  
7 future National Manufacturing Strategies, not later  
8 than 60 days after the enactment of this Act the  
9 President shall enter into an agreement with the Na-  
10 tional Academy of Sciences to develop three reports  
11 as follows:

12 (A) Not later than 14 months after enter-  
13 ing into an agreement under this paragraph,  
14 the National Academy of Sciences shall submit  
15 to Congress and the President a report that de-  
16 scribes the stresses on the Nation's manufac-  
17 turing sector and recommends ways in which  
18 the Federal Government can support such sec-  
19 tor.

20 (B) Not later than 20 months after enter-  
21 ing into an agreement under this paragraph,  
22 the National Academy of Sciences shall submit  
23 to Congress and the President a report that  
24 predicts the likely needs of, and challenges to,  
25 the manufacturing sector in the year 2035.

1           (C) Not later than 24 months after enter-  
2           ing into an agreement under this paragraph,  
3           the National Academy of Sciences shall submit  
4           to Congress and the President a report that as-  
5           sesses Government manufacturing programs  
6           and research and development portfolios (in-  
7           cluding the interrelation of such programs and  
8           portfolios), how well such programs and port-  
9           folios address perceived needs of the manufac-  
10          turing sector, and recommendations for a re-  
11          search strategy to address any gaps in such  
12          programs and portfolios.

13          (2) DISCRETIONARY STUDIES.—After the re-  
14          quired studies are complete, the President may enter  
15          into further agreements with the National Academy  
16          of Sciences to develop reports to inform future Na-  
17          tional Manufacturing Strategies.

18   **SEC. 7. REQUIREMENT TO CONSIDER NATIONAL MANUFAC-**  
19                   **TURING STRATEGY IN BUDGET.**

20          In preparing the budget for a fiscal year under sec-  
21          tion 1105(a) of title 31, United States Code, the President  
22          shall include information regarding the consistency of the  
23          budget with the goals and recommendations included in

- 1 National Manufacturing Strategy covering that fiscal
- 2 year.

